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BALANCED BUDGET 2007

NEWS RELEASE

Budget 2007 Builds a Housing Legacy

VICTORIA – A comprehensive range of new supports for British Columbians, including a $250 million Housing Endowment Fund, will help address the housing challenges created by a growing economy, Finance Minister Carole Taylor announced today with the release of *Balanced Budget 2007*.

"A strong economy allows us to sustain and improve our public programs and services," said Taylor. "At the same time, a strong economy can create challenges such as housing affordability. Today, I am proud to present a budget dedicated to housing. Budget 2007 is a major step towards ensuring that every British Columbian has access to a safe, appropriate and affordable place to call home."

Balanced Budget 2007 sets aside $250 million from the 2006/07 surplus to establish a new Housing Endowment Fund. The fund will generate approximately $10 million a year in interest that will be used to support new projects that may not meet the criteria for established housing programs.

"2006 was a very good year for British Columbia and as a result we are seeing a significant surplus. I think it is only prudent when times are good that we put aside a portion of our surplus and create a legacy for our children," said Taylor. "Through this endowment fund, we will be able to invest in new and innovative housing solutions for the people of British Columbia."

Including the endowment fund, *Balanced Budget 2007* provides $2 billion over four years on a comprehensive range of supports for everyone from the homeless to the homeowner, including:

- An additional $27 million over three years to increase the number of year-round shelter beds by almost 30 per cent and provide related support services;
- $38 million in one-time funding to projects that provide housing and support for people who are homeless, or at risk of being homeless;
- Raising the shelter rate by $50 a month for people on income assistance. B.C. now has the highest shelter assistance rates in Canada for employable singles, couples and single-parent families;
- An additional $6 million over three years to strengthen support for transition houses for women and children fleeing domestic violence;

- $45 million over four years to convert up to 750 social housing units to supportive housing, to make them more accessible for seniors and others with special housing needs;
- Expanding the Rental Assistance Program by raising the income threshold to $28,000 a year. This means 5,800 additional working families — more than 20,000 in total — will be eligible to receive up to $563 a month to help with their housing costs;
- The First Time Home Buyers' Program is enhanced to exempt first-time buyers across B.C. from paying the Property Transfer Tax on homes valued up to $375,000. This will save first-time buyers up to $5,500;
- Extending eligibility for the Home Owner Grant to lower-income seniors, regardless of their home's assessed value; and
- Introducing legislation to allow people to start deferring their property taxes at age 55 rather than age 60.

To help every taxpayer with their housing expenses, *Balanced Budget 2007* cuts personal income taxes by 10 per cent for British Columbians earning up to $100,000. When fully implemented, this measure will lower the total provincial personal income tax burden by $515 million per year, allowing British Columbians to redirect these savings to their personal priorities.

"There are too many families who, despite these good economic times, don't feel like they are sharing in the benefits. They still feel pressed to make ends meet," said Taylor. "The Province can help by ensuring British Columbians are able to keep more of their earnings — money they can put towards their family's priorities. So, Budget 2007 cuts personal income taxes by 10 per cent for British Columbians earning up to $100,000, which assists each and every taxpayer with their housing costs."

This latest personal income tax reduction builds on the 25 per cent tax cut introduced in 2001 and the BC Tax Reduction introduced in 2005. As a result of these changes, 250,000 British Columbians now pay no provincial income tax, others have seen reductions of up to 70 per cent, and most have seen reductions of between 30 and 35 per cent. A family of four with both parents working, earning a combined total of $70,000, will now save more than $1,800 a year compared to 2001.

"We have always said that we want to ensure all British Columbians share in the benefits of our thriving economy," said Taylor. "This new budget will help make housing more affordable and accessible for just about everyone in our province — today and for generations to come."

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1 backgrounder attached.

For the Finance Minister's speech and more about details on *Balanced Budget 2007*, visit www.gov.bc.ca/bcbudget online.

Visit the Province of British Columbia's website at www.gov.bc.ca for online information and services.

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